**A retirement annuity is particularly attractive to someone who has:**

**1)**.     Financial myopia

**2)**.     High longevity risk

**3)**.     A severe illness

**4)**.     Low longevity risk

**Solution** :  
option [2] is correct

**Q. You purchase a new car, call your insurance agent  
and the agent tells you that your are covered. This is an example of ?**

**1)**. Binder

**2)**. Renewal

**3)**. issuance

**4)**. None

**Solution** :  
option [1] is correct

**Q. Do endorsments exist on every policy?**

**1)**. Yes

**2)**. No

**Solution** :  
option [2] is correct

**Q. Cancellation of a policy means?**

**1)**. The termination of an insurance policy or bond, before its expiration, by either the insured or the insurer. Insurance policy cancellation provisions require insurers to notify insureds in advance (usually 30 days) of cancelling a policy and stipulate the manner in which any unearned premium will be returned

**2)**. To reinstate an insurance policy automatically after cancelling it.

**3)**. To transfer an insurance policy

**4)**. To buy an insurance policy

**Solution** :  
option [1] is correct

**Q. What is the full form of PIP?**

**1)**. Personal Injury Protection

**2)**. Personal Interest Policy

**3)**. Protective Insurance Policy

**4)**. none of the above

**Solution** :  
option [1] is correct

**Q. Property Damage is which type of Coverage**

**1)**. 1st Party

**2)**. 2nd Party

**3)**. 3rd Party

**4)**. Non of the above

**Solution** :  
option [3] is correct

**Q. What is the full form of PAP?**

**1)**. Personal Auto Policy

**2)**. Personalised Account Policy

**3)**. Policy Amend Provisions

**4)**. none of the above

**Solution** :  
option [1] is correct

**Q. Workers compensation benefits are payable regardless of fault ?**

**1)**. Yes

**2)**. No

**Solution** :  
option [1] is correct

**Q. Who is the beneficiary on a policy?**

**1)**. The Insurer

**2)**. The person who pays the premium

**3)**. The person who receives the Sum assured

**4)**. None of them

**Solution** :  
option [3] is correct

**Q. If the home covered under the insurance policy is damaged and cannot be occupied for two months while repairs are being made, the insurer will pay the necessary increased living expenses under provisions for :**

**1)**.        Mortgage insurance

**2)**.       Mortgage life insurance

**3)**.        1 and 2

**4)**.       None of the above

**Solution** :  
option [1] is correct

**Q. Maggie has an insured car which is damaged in a collision to the point where it can no longer be driven, Global Insurance company could pay the full value of the car to Maggie, take possession of it, and then sell it to scrap dealer. This can be classified as which type of recovery**

**1)**. Salvage

**2)**. Subrogation

**3)**. Both Salvage And Subrogation

**4)**. Non of the above

**Solution** :  
option [1] is correct

**Q. Certificate of Insurance  is \_\_\_\_\_\_**

**1)**. A document providing evidence that certain general types of insurance coverages and limits have been purchased by the party required to furnish the certificate.

**2)**. Receipt of insurance premium

**3)**. An insurance quotation

**4)**. None

**Solution** :  
option [1] is correct

**Q. Which of the following is a means of discharging a contract under common law?**

**1)**.     Frustration

**2)**.     Mistake

**3)**.     Misrepresentation

**4)**.     Concealment

**Solution** :  
option [3] is correct

**Q. Moral hazard by insurance companies can result in**

**1)**. adverse selection

**2)**. risk pooling

**3)**.        community rating

**4)**. overutilization of health insurance

**Solution** :  
option [1] is correct

**Q. What is the full form of NAR?**

**1)**. Net Amount at Risk

**2)**. No Amount at Risk

**3)**. National Association of Reinsurers

**4)**. none of the above

**Solution** :  
option [1] is correct

**Q. Which of the following coverage typically pay  out if the driver who hits you causes more damage than his or her liability coverage can cover.**

**1)**. Bodily Injury

**2)**. Property Damage

**3)**. Uninsured Motorist (UM) Coverage

**4)**. Underinsured Motorist (UIM) Coverage

**Solution** :  
option [4] is correct

**Q. In Stock Insurers, do shareholders share the profits of the company when and if a dividend is declared ?**

**1)**. No

**2)**. yes

**Solution** :  
option [2] is correct

**Q. Which of the below statements are true with respect to Reinsurance ?  
 Reinsurance is a contractual agreement:  
1. In which one insurer transfers some or all of its loss exposures to another insurer.  
2. That is formed as a subsidiary of its parent company for the purpose of writing insurance on the parent company.  
3. That ideally insures large numbers of similar exposure units.  
4. That insures through an attorney-in-fact.**

**1)**. 1

**2)**. 2

**3)**. 3

**4)**. ALL

**Solution** :  
option [4] is correct

**Q. Which of the following coverage typically pay for damage to you and your property caused by another driver who doesn't have any insurance coverage**

**1)**. Bodily Injury

**2)**. Property Damage

**3)**. Uninsured Motorist (UM) Coverage

**4)**. Underinsured Motorist (UIM) Coverage

**Solution** :  
option [3] is correct

**Q. Reinsurance' refers to the practice by insurance companies of:**

**1)**. Renewing existing policies

**2)**. Buying insurance from another firm

**3)**. Terminating existing policies

**4)**. Insuring the same risk twice

**Solution** :  
option [2] is correct